

## Message Text

UNCLASSIFIED

PAGE 01 LIMA 01621 012017Z

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-08 /019 W

-----020546 097657 /20

R 011432Z MAR 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 3863

UNCLAS LIMA 1621

EO 11652: N/A

TAGS: BENC, PE

SUBJ: MAJOR PROJECT: EXPANSION OF PELLETIZING FACILITIES  
AT THE OLD MARCONA CONCESSION

REF: STATE 033983

1. EMPRESA MINERA DEL HIERRO DEL PERU (HIERRO-PERU), OPERATOR OF MARCONA IRON CONCESSION SINCE IT WAS NATIONALIZED ON JULY 22, 1975 INFORMED EMBASSY THAT IT IS CONSIDERING THE POSSIBILITY OF EXPANDING ITS PELLETIZING PLANT TO INCREASE PRODUCTION CAPACITY FROM 4 MILLION TONS A YEAR TO 7.5 MILLION TONS WITH AN ESTIMATED INVESTMENT OF US\$163 MILLION. HIERRO-PERU INDICATED JAPANESE CONSORTIUM IS INTERESTED IN FINANCING THIS PROJECT.

2. INFORMATION IN OUR FILES INDICATES THAT THIS EXPANSION PROJECT WAS ORIGINALLY DEVELOPED BY THE FORMER OWNER, MARCONA MINING CO. U.S. FIRM APPARENTLY HAD REACHED AGREEMENT WITH JAPANESE CONSORTIUM OF MARUBENI CORP. AND MITSUI & CO., UNDER WHICH THESE GROUPS WERE TO FINANCE A SUBSTANTIAL PART OF PROJECT IN EXCHANGE FOR LONG-TERM IRON ORE SUPPLY CONTRACT. IT SHOULD BE NOTED ALSO THAT THE MAJOR JAPANESE STEEL MILLS ARE HIERRO-PERU'S MAIN CUSTOMERS.

3. IF AND WHEN FURTHER DETAILS ARE AVAILABLE REGARDING THIS PROJECT, WE WILL REPORT THEM IMMEDIATELY. SHOULD DRAVO CORP-  
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ORATION LIKE TO CONTACT HIERRO-PERU DIRECTLY, FIRM'S ADDRESS  
IS:

ING. MANUEL VASQUEZ  
GENERAL ADMINISTRATOR  
EMPRESA MINERA DEL HIERRO DEL PERU  
(HIERRO-PERU)  
P. O. BOX 1229, LIMA 100

PASEO DE LA REPUBLICA 3587

LIMA 27, PERU

PHONE: 41-2337

DEAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
**Subject:** MAJOR PROJECT: EXPANSION OF PELLETIZING FACILITIES AT THE OLD MARCONA CONCESSION  
**TAGS:** BENC, PE  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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